The World Trade Organisation (WTO) has completed the fifth Trade Policy Review of the Southern African Customs Union (SACU), one of the few Customs Unions in Africa which, however, is not included by the African Union in the list of the (eight) official Regional Economic Communities (RECs) in the continent. SACU is considered the oldest Customs Union in the world, established in 1910 between South Africa and the British High Commission Territories (HCTs), i.e., Lesotho (the former Basutoland), Botswana (the former Bechuanaland), and Eswatini (known before 2018 as Swaziland). SACU however, is even more ancient, as it lays its foundations on the 1889 Customs Union Convention between the British Colony of Cape of Good Hope and the Orange Free State Boer Republic, progressively expanded to cover now five countries with different levels of development: Botswana, Eswatini, Lesotho, Namibia, and South Africa. All SACU countries are also members to the Southern African Development Community (SADC) and their economies are dominated by the services sector, representing about 70% of SACU's GDP.

The SACU Agreement, 2002 , (as amended in 2013) represents the framework that currently regulates this regional block, where member States form a common customs territory in which customs duties on trade between the member States are eliminated, and a Common External Tariff (CET) is applied to goods imported from third countries.

A characteristic of SACU is that this Customs Union adopts a revenue-sharing mechanism for the distribution of financial resources collected at external borders. According to such mechanism , all customs, excises and additional duties are collected at the first point of entry into the customs territory and transferred on a quarterly basis into a common revenue account of the Union, called “Customs Revenue Pool” (CRP), which is currently managed by South Africa on a transitional basis on behalf of the SACU member States. The amount collected in the CRP account is then distributed among the MS according to an agreed formula provided in art. 34 of the SACU Agreement.

SACU member States have also established a common negotiating mechanism (CNM) for the purpose of negotiating as a single unified block with third parties. Despite not yet entered into force, SACU member States pursue a unified approach to negotiations with third parties.

However, the WTO documents clearly reveal how the objectives of SACU go beyond those of a simple Customs Union, as this organization has followed and is pursuing forms of regional integration that cannot be strictly placed under the ‘linear model of economic integration’ hypnotized by the classical economic integration theory. According to such theory, economic integration between States begins by establishing loose cooperation ties that progressively evolve into more sophisticated forms of integration at later stages. So, economic integration should start with the creation of a Preferential Trade Agreement (PTA) or a Free Trade Area (FTA), and subsequently evolve (in a predetermined path) towards a Customs Union, a Common Market, an Economic and Monetary Union, and finally, to a complete political union. A theory this one, that has been recently disputed by some scholars , who argue that this 'linear' and static sequence can be 'broken' by States if they are willing to do so, according to their needs.

In fact, on April 1, 1986, the governments of Lesotho, Swaziland, and South Africa established a Common Monetary Area (CMA), by virtue of a Trilateral Monetary Agreement. It did so without first establishing a common market, which was never created. The CMA was subsequently joined by Namibia, while Botswana still remains outside of the Agreement. This agreement provides a framework for a fixed exchange rate regime between the South African rand (ZAR) and the currencies of Lesotho, Eswatini, and Namibia. The CMA however, represents more specifically a form of monetary coordination among the SACU members where their currencies (except that of Botswana) are pegged to a reference economy (South Africa), which assumes the responsibility for formulation and implementation of the monetary policy in the region.

Moreover, in 2022, its member States adopted a Strategic Plan , which identifies additional policy areas toward which the action of SACU will expand in the next years. These include: (i) industrialization, export and investment promotion; (ii) trade facilitation and logistics; (iii) implementation and leveraging on AFCFTA opportunities; (iv) trade relations/unified engagement with third parties; and (v) finance and resource mobilization. In particular, industrialization is identified as a strategic objective to deepen regional economic integration, specifically through the development of regional value chains in priority sectors that were identified and endorsed in 2020/21. These include agro-processing (fruits and vegetables, meat and meat products and leather and leather products), textiles and clothing and pharmaceuticals and cosmetics and essential oils.

In this context, investment attraction and export promotion are indicated by the SACU Strategic Plan as supporting pillars to attain the industrialization aspirations of the region.